

AMENDED IN SENATE JUNE 21, 2006

AMENDED IN ASSEMBLY APRIL 3, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2399**

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**Introduced by Assembly Member Garcia**

February 23, 2006

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An act to add and repeal Chapter 8.3 (commencing with Section 8710) of Division 1 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2399, as amended, Garcia. California and Mexico border infrastructure.

Existing law charges the Secretary of Business, Transportation and Housing with the responsibility of developing and reporting to the Governor on legislative, budgetary, and administrative programs that accomplish comprehensive, long-range, coordinated planning and policy formulation on matters of public interest related to the Business, Transportation and Housing Agency.

This bill would require the secretary, by January 1, 2009, to prepare and provide to the Legislature, a study on the infrastructure development along the border between the state and Mexico and any need for alternative financing mechanisms suited to the challenges of the border region, as specified. The requirement would be repealed on January 1, 2009.

The bill would make legislative findings and declarations regarding the need for this study and report.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) According to findings by the Southwest Center for Environmental Research and Policy, the population of 25 United States counties and 35 Mexican municipalities along the Mexican border is expected to double by the year 2020, reaching 24 million residents. These population trends will lead to escalating infrastructure deficits for border communities, including, but not limited to, highway, airport and port facilities, railways, and environmental, water, and energy needs that must be addressed to ensure economic competitiveness and quality of life for border residents.

(b) Significant opportunities exist for California firms in trade with Mexico, as evidenced by both of the following:

(1) Trade statistics show exports to Mexico of goods originating in California grew an average of 12.8 percent annually between 1988 and 2002, due in large part to the success of part to the North American Free Trade Agreement (NAFTA). California exports to Mexico directly and indirectly support more than 200,000 California jobs.

(2) Manufacturing growth among maquiladora operations in Mexico grew from 370,000 in 1988 to 1.1 million in 2004. Significant trade opportunities exist for California firms to become suppliers to those border industrial complexes.

(c) State government support to promote associations and strategic alliances among California, and Mexican business partners would facilitate these trade linkages.

SEC. 2. Chapter 8.3 (commencing with Section 8710) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 8.3. CALIFORNIA AND MEXICO BORDER ECONOMIC  
INFRASTRUCTURE FINANCING STUDY

8710. (a) The Secretary of Business, Transportation and Housing shall prepare and provide to the Legislature, by January

1 1, 2009, a study regarding infrastructure development along the  
2 border between the state and Mexico and any need for alternative  
3 financing mechanisms suited to the challenges of the border  
4 region. The study shall be prepared within existing resources of  
5 the agency.

6 (b) The study shall include, but not be limited to, all of the  
7 following:

8 (1) An examination of the financial, geographic, and political  
9 challenges to infrastructure development along the border  
10 between the state and Mexico.

11 (2) An examination of the state's ability to develop  
12 infrastructure projects along the border between the state and  
13 Mexico.

14 (3) Identification of the necessary level of interaction between  
15 the appropriate local, state, federal, and Mexican agencies in  
16 infrastructure development along the border between the state  
17 and Mexico.

18 (4) Identification of current and potential state, federal, or  
19 Mexican revenue sources and financing mechanisms for  
20 infrastructure development along the border between the state  
21 and Mexico.

22 (5) Identification of the extent to which current state, federal,  
23 or Mexican revenue sources and financing mechanisms for  
24 infrastructure development are being utilized along the border  
25 between the state and Mexico.

26 (6) Identification of any deficiencies or gaps in the available  
27 financing mechanisms for infrastructure development along the  
28 border between the state and Mexico.

29 (7) Identification of possible infrastructure development  
30 projects along the border between the state and Mexico and an  
31 analysis of the need for each project.

32 8711. This chapter shall remain in effect only until January 1,  
33 2009, and as of that date is repealed, unless a later enacted  
34 statute, that is enacted before January 1, 2009, deletes or extends  
35 that date.